



*United States Attorney
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**FORMER HEDGE FUND MANAGER SENTENCED IN MANHATTAN
FEDERAL COURT TO 27 MONTHS IN PRISON IN GALLEON INSIDER
TRADING CASE**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that MARK KURLAND, a former hedge fund manager and executive at Bear Stearns Asset Management, was sentenced today in Manhattan federal court by United States District Judge VICTOR MARRERO to 27 months in prison for his participation in the largest hedge fund insider trading case in history.

KURLAND, 61, of Mount Kisco, New York, was a Senior Managing Director at New Castle Partners ("New Castle"), which formerly operated as an equity hedge fund at Bear Stearns Asset Management and then JPMorgan Chase. On January 27, 2010, KURLAND pleaded guilty to conspiring to commit insider trading crimes with DANIELLE CHIESI, who formerly worked at New Castle, and who is charged separately in an Indictment with RAJ RAJARATNAM. KURLAND also pleaded guilty to substantive securities fraud.

According to the Information, the criminal Complaint, and statements made during the guilty plea proceeding:

From mid-August 2008 through January 2009, KURLAND and CHIESI participated in a scheme to execute securities transactions based on material, nonpublic information ("Inside Information") pertaining to Advanced Micro Devices, Inc. ("AMD"), Akamai Technologies, Inc. ("Akamai"), and Sun Microsystems Inc. ("Sun"). As part of the conspiracy, CHIESI obtained Inside Information from sources at Akamai and International Business Machines Corp. ("IBM"). CHIESI provided that Inside Information to KURLAND with the understanding that New Castle, at KURLAND's direction, would trade based on it. CHIESI also obtained KURLAND's permission to direct trading at New Castle on the basis of that Inside Information. KURLAND knew that the Inside Information CHIESI obtained from her sources at Akamai and IBM was obtained in breach of fiduciary and other duties of trust and confidence.

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During the sentencing proceeding today, Judge MARRERO stated that KURLAND played an "active role" in the "sophisticated" scheme which he called "an egregious example of illegal insider trading by someone who should have known better." Judge MARRERO concluded that, "[KURLAND] built his life off the integrity of the stock markets, and in this Court's view, should have safeguarded those markets."

In addition to his prison term, Judge MARRERO sentenced KURLAND to two years of supervised release and ordered him to pay forfeiture in the amount of \$900,000.

United States Attorney PREET BHARARA said: "Executives who manage businesses must lead by example to create a culture of integrity, not corruption, in their workplaces. Mark Kurland admitted to doing just the opposite, deploying one of his employees to obtain inside information so that he could gain an illegal trading edge. Kurland will now have to live with the consequences of his decision. The Southern District of New York, along with our law enforcement partners at the Federal Bureau of Investigation and the United States Securities and Exchange Commission, will continue to aggressively pursue illegal insider traders in order to protect the integrity of our markets."

Mr. BHARARA praised the work of the Federal Bureau of Investigation and thanked the United States Securities and Exchange Commission for its assistance in the investigation. Mr. BHARARA also noted that the investigation is continuing.

Assistant United States Attorneys JONATHAN STREETER and REED BRODSKY and Special Assistant United States Attorney ANDREW MICHAELSON are in charge of the prosecution.

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This case was brought in coordination with President BARACK OBAMA's Financial Fraud Enforcement Task Force, on which Mr. BHARARA serves as a Co-Chair of the Securities and Commodities Fraud Working Group. President OBAMA established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and

local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

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